

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2303 - SB 2591

February 24, 2018

SUMMARY OF BILL: Creates the “Homeless Student Stability and Opportunity Gap Act” grant program. Requires local education agencies (LEAs) to appoint a homeless student liaison. Requires each middle and high school within an LEA that identifies at least 10 homeless students within the district to identify a point of contact. Sets the maximum number of grants per year for an LEA at 15. Sets the maximum grant amount per LEA at \$500,000 and for an individual school at \$100,000. Requires the Office of Research and Education Accountability (OREA) of the Comptroller of the Treasury (COT) to report on the effectiveness of the program.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$1,000,000/Grant Fund

**Increase State Expenditures – Exceeds \$1,022,700/General Fund
Exceeds \$1,000,000/Grant Fund**

Increase Local Revenue – Exceeds \$1,000,000/Permissive

Increase Local Expenditures – Exceeds \$1,000,000/Permissive

Assumption for Department of Education:

- The Department of Education (DOE) will require a part-time employee to accept and review applications, select grant recipients, coordinate with grant recipients, and assist with the creation of the required brochure on recognizing homelessness.
- This part-time employee will receive an annual salary and benefits of \$20,000, and recurring overhead will be approximately of \$2,700, for a total recurring increase in state expenditures estimated to be \$22,700 (\$20,000 + \$2,700).

Assumptions for Grant Funding and Total State Impacts:

- The maximum grant amount to each school is \$100,000.
- The specific amount of state funding appropriated by the General Assembly to a designated Grant Fund for grants cannot be determined due to unknown factors.

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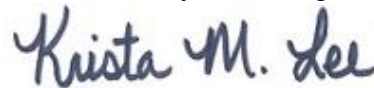
- However, it is reasonable to assume that at least \$1,000,000 in state funds will be required each year to fully effectuate the purpose of this legislation.
- A recurring appropriation from the General Fund to the Grant Fund is assumed to occur and is estimated to be at least \$1,000,000 each year. Therefore, the recurring increase in state expenditures from the General Fund, and the corresponding recurring increase in state revenue to the Grant Fund, are each estimated to exceed \$1,000,000.
- OREA will be able to complete the required report in accordance with the provisions of this legislation during the normal course of business within existing resources; therefore, any fiscal impact is estimated to be not significant.
- The total recurring increase in state expenditures from the General Fund is estimated to be \$1,022,700 (\$1,000,000 for grants + \$22,700 for administration costs).
- The recurring increase in state expenditures from the Grant Fund to LEAs is estimated to exceed \$1,000,000.

Assumptions for LEAs:

- Any impact to local government operations is permissive.
- The McKinney-Vento Homeless Assistance Act requires every LEA to appoint a homeless student liaison.
- Points of contacts for homeless students at middle and high schools in LEAs with 10 or more identified homeless students will be identified by existing employees.
- LEAs will receive the requisite grant funding and expend it to provide services outlined in the legislation including, but not limited to, rental assistance, emergency shelter, case management, and transportation assistance.
- The recurring permissive increase in local revenue and the corresponding permissive recurring increase in local expenditures are each estimated to exceed \$1,000,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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